Home Care in the U.S.

What is Home Care?
Professional home care workers support their elderly and disabled clients with activities of daily living. This workforce enables their clients to remain in their homes and supports their clients’ family members to participate in the labor force.

Growing Need for Home Care Workers

51 million people 65 and older in the U.S.¹
By 2030, this population is projected to increase by 39%, to 71 million.²

40 million additional disabled individuals in the U.S. who could potentially benefit from personal support workers in their homes.³

Rapidly Growing Occupation

Home care is one of the largest and fastest growing occupations, but the need exceeds the supply, drawing unpaid family caregivers from full-time employment to help fill the gap.

+ There are 3.2 million professional home care workers in the U.S.⁴
  + This occupation has grown 92% over the past 10 years in the U.S.
  + the U.S. is projected to add an additional 4.4 million home care jobs by 2028.⁵
  + Due to high turnover, each year there are projected to be 627,700 home care job openings in the U.S.

Rising Revenues, Persistent Low Wages, High Costs of Home Care

+ The annual median cost of home care in the U.S. is $54,912,⁶ up from $52,179 in 2009.⁷ This has translated into rising revenues, while low wages persist.
+ Home care industry revenues are $109.6B and projected to increase by 5.1% annually.⁸
+ In 2019, the U.S. home care workers received a median hourly wage of $12.15/hour and a median annual income of $27,860.
  + This rose to $13.02/hour and $28,060 annually in 2020,⁹ though this increase may be temporary as pandemic subsidies expire.¹⁰

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of San Francisco
Home care worker turnover is 65% per year. Recruitment and retention of workers in this rapidly growing occupation can help support the U.S. economy.

- Professional home care workers help family members—especially women—to remain in the workforce, but many families are waiting to receive this support.
  - **199,508** elderly and disabled individuals are waitlisted for home care Medicaid waivers in the U.S.
- Studies have found that raising wages for home care workers leads to lower costs from reduced turnover and from workers’ reliance on public safety net programs.
- Low wages result in thousands of the U.S. home care workers living in poverty.

### Worker Demographics

The U.S. home care workforce is disproportionately composed of women of color and immigrant women. Their median age is 50.

- **88%** Women
- **44%** People of Color
  - 38% being women of color
- **26%** Foreign-Born

### Economic Impacts and Racial & Ethnic Disparities

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#### Home care workers live in poverty including:
- 25% of Black workers
- 23% of Hispanic workers
- 13% of Asian workers
- 16% of White workers

#### Home care workers receive food stamps including:
- 36% of Black workers
- 37% of Hispanic workers
- 20% of Asian workers
- 21% of White workers
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Disclaimer
The views expressed here are those of the authors and not necessarily those of the Federal Reserve Bank of San Francisco or the Federal Reserve System.

Endnotes
11. U.S. Census Bureau. IPUMS microdata, American Community Survey: 2015–2019 (5-year Estimate). For comparison, the U.S. working age population is 26% people of color, including 14% women of color, and 17% foreign-born.

For additional state profiles and more on this topic, please visit: sffed.us/homecare